

# Billing for Outpatient Administered Drugs

(Nevada Physician Administered Drugs, NVPAD)

*Drugs administered in physician offices, urgent care settings, clinics  
and outpatient facilities*

September 2013



# Topics

- Who Can Not Bill Separately for Drugs?
- What is a National Drug Code (NDC)?
- Where is the NDC found?
- NDC Breakdown
- Why Is NDC Required?
- NDC Pricing
- NDC Reference Materials
- Contact Information

# Who Can Not Bill Separately for Drugs

- This billing information **does not apply** to outpatient services when an all-inclusive encounter rate, composite rate, per diem rate, or prospective payment includes pharmaceuticals, such as:
  - Federally Qualified Health Centers (FQHCs)
  - Rural Health Centers (RHCs)
  - Indian Health Programs (IHP)
  - End-Stage Renal Disease Facilities (ESRDs)
  - Inpatient Facilities
- These providers do not use this process for submitting claims.

# National Drug Codes (NDC)

# What is a National Drug Code (NDC)?

- Drug products are identified and reported using a unique number called the NDC, which serves as a universal product identifier for drugs. **These codes are used for billing outpatient administered drugs.**
- An NDC consists of 11 digits separated into 3 sections by a hyphen: XXXXX-XXXX-XX
- The first 5 digits identify the drug labeler/manufacturer, the next 4 digits identify the product and the last 2 digits identify the package size.

NDC **07777**-**3105**-**02**

**Labeler**

**Product  
Code**

**Package  
Code**

# Where is the NDC Found?

- The NDC is found on the outer packaging of the drug's container and also on the actual units (vial, syringe, ampule, etc.) inside the container. The NDC on the outer packaging may differ from the individual prefilled doses *within the container*.
- Always bill the NDC for the actual drug that is being administered.
- Billing an NDC from a reference file when it is not the actual drug being administered is considered fraudulent billing.



# NDC Breakdown

- A drug's container label may display less than 11 NDC digits. In this instance, leading 0s must be added to each section to make 11 digits total when submitting the claim to HP Enterprise Services.
  - Example:
    - NDC shown on the label is 0409-1778-35
    - Submit NDC 00409-1778-35 on the claim form



# Why is NDC Required?

- The Deficit Reduction Act (DRA) of 2005 requires State Medicaid programs to collect rebates for physician/outpatient-facility administered drugs and drugs sold through pharmacies.
- This initiative became effective on January 1, 2008.
- The Drug Rebate Program
  - Drug manufacturers who wish to participate must first sign a rebate agreement with the Centers for Medicare & Medicaid Services (CMS).
  - The drug manufacturers pay a rebate (monies) to Nevada Medicaid for the drugs covered by Nevada Medicaid. This is why it is so important to bill with the actual NDC that was administered.
  - This program was enacted out of concern for the costs Medicaid programs were paying for outpatient drugs.



# Rebateable Drugs

- State Medicaid programs will only reimburse for drugs if the manufacturer is participating in the Centers for Medicare & Medicaid Services (CMS) Drug Rebate Program.
- Just because a drug is listed on the CMS website as rebateable, it does not guarantee payment by Medicaid. See the Pharmacy Billing Manual for a list of non-covered pharmaceuticals.

# NDC Pricing

- Payment for physician/outpatient-facility administered drugs is calculated on the NDC and NDC unit of measure – **NOT** the HCPCS codes and units.
- Payment is calculated on the lesser-of cost algorithm:
  - Wholesale Acquisition Cost (WAC) + 2%
  - Federal Upper Limit
  - State Maximum Allowable Cost (MAC)
  - Department of Justice (DOJ) minus 15%
  - Gross Amount Due
  - Usual and Customary
  - Actual Acquisition Cost (AAC)

# NDC Reference Materials

# Reminder: Web Announcement 507

August 15, 2012  
Announcement 507

## Reminders When Billing Physician-Administered Drugs





The following reminders are provided to ensure physician-administered drugs are billed appropriately.

- Use CPT codes to bill all covered vaccines that are not part of the Vaccines for Children (VFC) program. The administration fee is reimbursed for VFC drugs.
- Use HCPCS codes to bill Federal Drug Administration (FDA)-approved intrauterine devices (IUDs).
- Use HCPCS codes to bill radiopharmaceuticals and contrast agents.
- All other physician-administered drugs are reimbursed by National Drug Code (NDC) and the appropriate NDC unit of measure. Both items must be included on the claim form.

# NDC Reference Materials



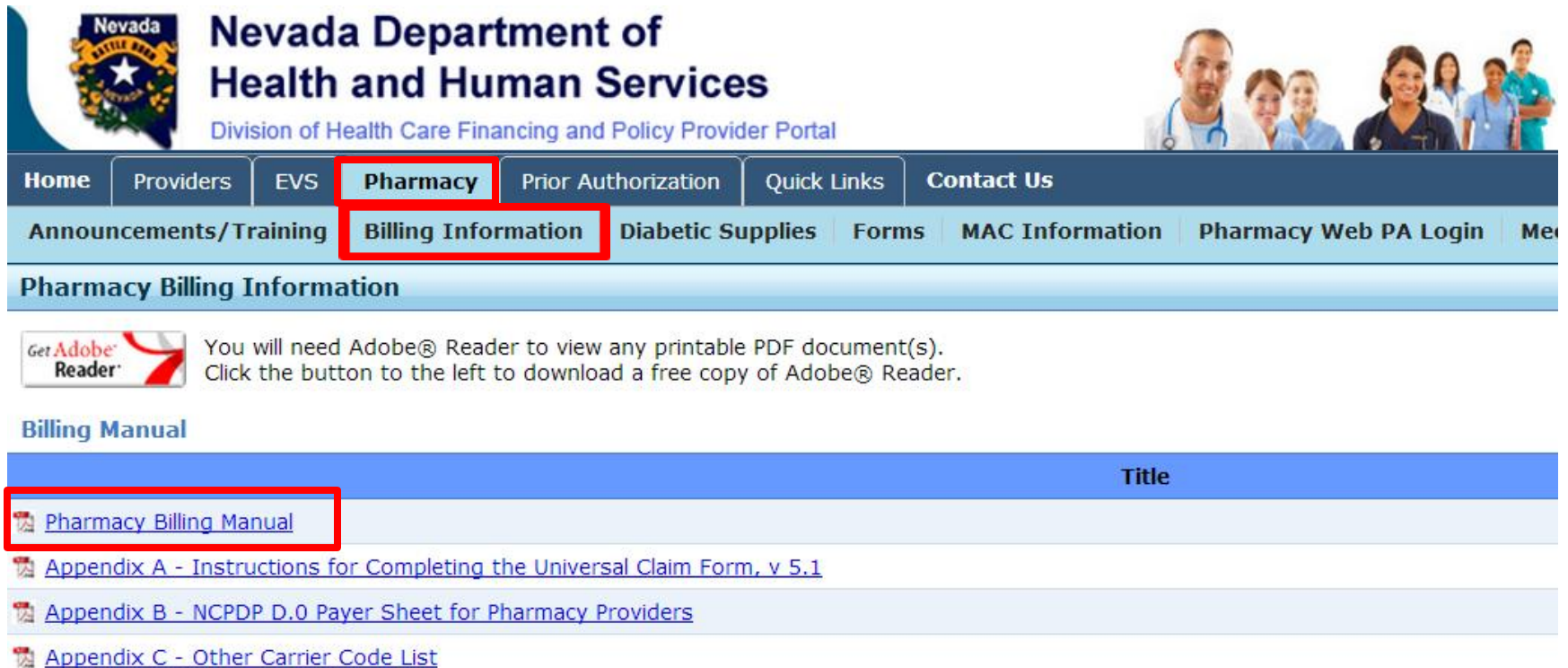
## NDC Resources for Nevada Medicaid and Nevada Check Up Providers

-  [Billing Reference](#)
  -  [CMS Drug Product Data](#)
  -  [Frequently Asked Questions – Updated January 27, 2011](#)
  -  [NDC Billing Reference for Physician Administered Drugs \(NVPAD\) Claims](#)
- Reference material for NDC is located at:  
[www.medicaid.nv.gov](http://www.medicaid.nv.gov).
  - Select **Providers** from the menu bar, then **NDC** from the sub-menu

# NDC Reference

- The Billing Reference link contains information regarding NDC billing.
- The CMS Drug Product Data links directly to the CMS website.
- The Frequently Asked Questions link contains helpful answers.
- The NDC Billing Reference for Physician Administered Drugs (NVPAD) Claims link contains additional information regarding NDC billing.

# NDC Reference – Limitations




**Nevada Department of Health and Human Services**  
Division of Health Care Financing and Policy Provider Portal





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### Pharmacy Billing Information

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#### Billing Manual


Title
 <a href="#">Pharmacy Billing Manual</a>
 <a href="#">Appendix A - Instructions for Completing the Universal Claim Form, v 5.1</a>
 <a href="#">Appendix B - NCPDP D.0 Payer Sheet for Pharmacy Providers</a>
 <a href="#">Appendix C - Other Carrier Code List</a>

- The Pharmacy Billing Manual contains additional information regarding billing.
- Select **Pharmacy** from the menu bar, then **Billing Information**, then **Pharmacy Billing Manual**.



# Is the NDC Rebateable?

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National Drug Code (NDC)



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After selecting this link, you will be re-directed to the CMS website.

# Medicaid Drug Rebate Program



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[Home](#) > [Medicaid](#) > [By-Topic](#) > [Benefits](#) > Prescription Drugs

## Medicaid

### By-Topic

#### Benefits

#### Prescription Drugs

## Medicaid Drug Rebate Program

The Medicaid Drug Rebate Program is a partnership between CMS, State Medicaid Agencies, and participating drug manufacturers that helps to offset the Federal and State costs of most outpatient prescription drugs dispensed to Medicaid patients. Approximately 600 drug manufacturers currently participate in this program. All fifty States and the District of Columbia cover prescription drugs under the Medicaid Drug Rebate Program, which is authorized by [Section 1927 of the Social Security Act](#).

The program requires a drug manufacturer to enter into, and have in effect, a national rebate agreement with the Secretary of the Department of Health and Human Services (HHS) in exchange for State Medicaid coverage of most of the manufacturer's drugs. Manufacturers are then responsible for paying a rebate on those drugs each time that they are dispensed to Medicaid patients. These rebates are paid by drug manufacturers on a quarterly basis and are shared between the States and the Federal government to offset the overall cost of prescription drugs under the Medicaid Program.

### Prescription Drug Content

- [Branded Prescription Drug Fee Program](#)
- [Covered Outpatient Drugs Policy](#)
- [Drug Utilization Review](#)
- [Federal Upper Limits](#)
- [Medicaid Drug Rebate Program](#)
- [Medicaid Drug Rebate Program Data](#)



# Medicaid Drug Rebate Program Data



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## Medicaid

### By-Topic

#### Benefits

#### Prescription Drugs

## Medicaid Drug Rebate Program Data

### Product Data for Drugs in the Medicaid Drug Rebate Program










The [rebate drug product data file \[ZIP\]](#) contains the active drugs that have been reported by participating drug manufacturers as of the most recent rebate reporting period under the Medicaid Drug Rebate Program. All drugs are identified by National Drug Code (NDC), unit type, units per package size, product name, Food and Drug Administration (FDA) approval date, the date the drug entered the market, plus indicators to show whether the drug is an innovator or non-innovator drug; whether it is available by prescription or over-the-counter (OTC); the FDA therapeutic equivalency code; and the Drug Efficacy Study Implementation (DESI) rating and termination date, if applicable.

**The zip file contains the current quarter plus the previous eight quarters of the drug product data files. Please save and archive these files for any future use you may have as we do not archive these files once posted and cannot honor individual requests for regenerated files.** (Note: Only active drugs and drugs with a termination date on or after the last processed quarter are included in the file).

### Prescription Drug Content

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- [Covered Outpatient Drugs Policy](#)
- [Drug Utilization Review](#)
- [Federal Upper Limits](#)
- [Medicaid Drug Rebate Program](#)
- [Medicaid Drug Rebate Program Data](#)
- [Medicaid Drug rebate Program Dispute Resolution](#)

# CMS Drug Product Data Zip File

	Name	Type	Modified	Size	Ratio	Packed	Path
	Product 12012.txt	Text Docume..	5/11/2012 7:10 AM	6,125,6...	90%	624,678	
	Product 1Q2013.txt	Text Docume..	5/7/2013 9:26 AM	6,574,1...	90%	682,325	
	Product 22011.txt	Text Docume..	3/22/2013 10:32 AM	5,492,4...	90%	547,934	
	Product 2Q2012.txt	Text Docume..	2/26/2013 3:36 PM	6,138,7...	90%	625,723	
	Product 32011.txt	Text Docume..	11/7/2011 12:25 PM	6,043,1...	90%	614,319	
	Product 3Q2012.txt	Text Docume..	2/26/2013 3:35 PM	6,707,7...	90%	689,926	
	Product 4Q2012.txt	Text Docume..	2/26/2013 3:35 PM	6,732,7...	90%	694,112	
	Products42011.txt	Text Docume..	2/6/2012 9:02 AM	6,073,2...	90%	617,694	

- This data is presented as of the **most recent rebate reporting quarter** under the Medicaid Drug Rebate Program. Changes can be made anytime during or after the displayed quarter.
- Select the appropriate file.
- The file Name indicates the date range to which it applies, i.e., **Product 1Q2013** = First Quarter of 2013.

# CMS Drug Product Data List

Product 1Q2013.txt - Notepad			
File Edit Format View Help			
ELI LILLY AND COMPANY	00002120001S2	0000000000EA	00000010000406201205012012NRAMYVID
ELI LILLY AND COMPANY	00002140701S2	0000000000ML	00000100000930199009301990NRQUINIDINE GLUCONATE
ELI LILLY AND COMPANY	00002197590S2	0000000000ML	00000900001123201003282011NRAXIRON
ELI LILLY AND COMPANY	0000230047512	0000000000CAP	0000040000227200103022001NRPROZAC WEEKLY
ELI LILLY AND COMPANY	00002322730S2	0000000000CAP	00000010001126200212202002NRSTRATTERA
ELI LILLY AND COMPANY	00002322830S2	0000000000CAP	00000010001126200212202002NRSTRATTERA
ELI LILLY AND COMPANY	00002322930S2	0000000000CAP	00000010001126200212202002NRSTRATTERA
ELI LILLY AND COMPANY	00002323030S2	0000000000CAP	00000010000409200707162007NRSYMBYAX
ELI LILLY AND COMPANY	0000232310112	0000000000CAP	00000010001224200301152004NRSYMBYAX
ELI LILLY AND COMPANY	0000232313012	0000000000CAP	00000010001224200301152004NRSYMBYAX
			NN050120120000000000
			NN093019900000000000
			NN032820110000000000
			NN030220010000000000
			NN122020020000000000
			NN122020020000000000
			NN122020020000000000
			NN071620070000000000
			NN011520040000000000
			NN011520040000000000

- Use the search function to find your NDC (Control + F)
- Column 1 – Indicates the Manufacturer
- Column 2 – Lists the NDC number
- Column 3 – Indicates the unit type

# NDC Breakdown and Unit of Measure



# NDC Unit of Measure

- The NDC Billing Unit Standard was created to eliminate translation conflicts between manufacturers, CMS and State Medicaid programs. This is called the NDC unit of measure.
- Three units of measure describe ALL drugs:
  - Each (EA)
  - Milliliter (ML)
  - Grams (GM)
- Each drug's container label displays the appropriate unit of measure for the drug.





# NDC Unit of Measure

- The NDC and the NDC unit of measure must be provided on all claims.
- The NDC unit of measure is expressed in metric units.
- You may enter a partial unit using up to three decimal places.
  - Partial quantities are only accepted for specific drugs listed in the Appendix of the Pharmacy Billing Manual.




# Examples:


- Epogen is packaged as a 3000u/ML injection, 2000u were administered = NDC unit of measure of .667 ML
- Ketorolac is packaged as a 60mg/2ml injection, 60 mg were administered = NDC unit of measure of 2 ML
- Venofer is packaged as a 20mg/ML injection, 100 mg were administered = NDC unit of measure of 5 ML

# NDC Billing on the CMS-1500 Claim Form

# CMS-1500 Billing Information



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**Billing Information**




FAQs: National Correct Coding Initiative (NCCI) Claim Review Edits [ [Review Now](#)]

Clinical Claim Editor FAQs Updated December 5, 2011 [ [Review Now](#)]

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**Paper Claim Form Instructions**

The following instructions are for paper claims. For electronic claim requirements, technical professionals can refer to Companion Guides for transactions [837D](#), [837I](#) and [837P](#).

Title	Last Update
 <a href="#">ADA Claim Form Instructions</a>	12/05/11
 <a href="#">CMS-1500 Claim Form Instructions</a>	05/14/13
 <a href="#">UB Claim Form Instructions</a>	05/14/13

Title	Last Update
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# CMS-1500 Billing Information

- Field 24A: In the top, shaded half of the claim line, enter qualifier N4 followed by the drug's 11-digit NDC. The first, second and third sections of the NDC (separated by hyphens on the container label) must contain 5, 4 and 2 digits, respectively, when entered on the claim form.
- For multi-ingredient compounds, list each component separately, on its own claim line with the 11-digit NDC in this field.

# CMS-1500 Form: Field 24A

24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG
From			To				
MM	DD	YY	MM	DD	YY		
N412345678901							
07	10	13	07	10	13	11	

- “N4” will always be placed before the 11-digit NDC.
- NDC will always be entered in the UPPER shaded line of Field 24A, above the date of service.

# CMS-1500 Form Billing Instruction

- In the top, shaded half of the claim line, enter the NDC unit of measure, i.e., the number of NDC units administered.
- Do not include the word or abbreviation for “milliliters,” “grams” or “each.”



# CMS-1500 Form: Field 24D

D. PROCEDURES (Explain Unus CPT/HCPCS)
1

- The NDC unit of measure will always be entered into the UPPER shaded line of Field 24D. (The NDC unit of measure is NOT entered in Field 24G.)
- Do **NOT** include the HCPCS code in the lower, unshaded line of Field 24D.
- Remember to convert the dose administered to the correct unit of measure, i.e., 150mg/1ml = 1.

# CMS-1500 Form: Fields 24A – 24J


24. A. DATE(S) OF SERVICE							B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)				E. DIAGNOSIS POINTER	F. \$ CHARGES		G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #	PHYSICIAN OR SUPPLIER INFORMATION
MM	DD	YY	MM	DD	YY			CPT/HCPCS	MODIFIER											
N412345678901									1					90 00		1		NPI	1234567891	
1	07	10	13	07	10	13	11						1					NPI		
2																		NPI		
3																		NPI		
4																		NPI		
5																		NPI		

- This is an example of a correctly completed CMS-1500 Claim Form being billed with NDC.

# NDC Billing on the UB-04 Claim Form

# UB-04 Billing Instructions

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 <a href="#">UB Claim Form Instructions</a>	05/14/13
Title	Last Update

# UB-04 Billing Instructions

- Field 42: Enter up to one revenue code per line as needed.
- Field 43: In this field, enter qualifier N4 followed immediately by the drug's 11-digit NDC followed by a space and then the NDC unit of measure of the administered drug.
- Do not include the word or abbreviation for "milliliters," "grams" or "each."

# UB-04 Form: Fields 42 and 43

	42 REV. CD.	43 DESCRIPTION
1	0250	N400409177835 1
2		
3		
4		
5		
6		

# UB-04 Form: Fields 44 – 46

- Field 44: Leave blank.
- Field 45: Enter the date the service was provided.
- Field 46: Leave this field blank.



# UB-04 Form: Fields 44 – 46

44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS
Leave this field BLANK for NDC claims	8/5/13	Leave BLANK

# UB-04 Form: Fields 42 – 46

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES	49
1 0250	N400409177835 1		8/5/13		.	.	1
2					.	.	2
3					.	.	3
4					.	.	4
5					.	.	5
6					.	.	6

- This is an example of a correctly completed UB-04 Claim Form being billed with NDC.

# Third Party Liability (TPL) and Medicare Crossover Claims

- The NDC and NDC unit of measure must be on the claim when the claim is submitted to Medicaid.

# Contact Information

- Nevada Physician-Administered Drug (NVPAD) claims are submitted to:

- HP Enterprise Services  
P.O. Box 30042  
Reno, NV 89520



- For questions regarding the manner in which an NVPAD claim processed, contact:
  - (877) 638-3472, use the option for Claims

# Contact Information

- For questions regarding NDC pricing or NDC unit of measure limitations, contact:
  - Catamaran Technical Call Center
    - (866) 244-8554



# Questions?



An evaluation of today's  
training will be emailed to you  
shortly.

Thank you for your  
participation.